



DAILY REPORT

CONTENTS

Latin America

20 Jul 87

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i

CARIBBEAN

CUBA

Foreign Ministry Responds to Ouster of Diplomats	A	1
U.S. Economic Blockade, Consequences Noted	A	1
U.S. Political, Economic Pressures Await Panama	A	2
GDR Discusses Electronic Equipment Trade	A	4
ANPP Approves New Civil Code; Sessions Continue	A	4

OTHER COUNTRIES

BARBADOS

Minister Terms Talks With Venezuela 'Refreshing'	B	1
--	---	---

HAITI

Namphy Reaffirms Military Commitment to People	B	1
PDCH Issues Note on Organization of Elections	B	3
Bishop of Jeremie Calls on CNG To Resign	B	3
Army Restructuring Announced Amid 3-day Strike [Buenos Aires REUTER]	B	4

TRINIDAD AND TOBAGO

Import Duty Removed for 8 Caricom Countries	B	5
---	---	---

CENTRAL AMERICA

EL SALVADOR

Cerezo, Duarte Agree on Ministers' Meeting [DPA]	F	1
Col Ochoa on Treason Charge, Army Action	F	1
Venceremos Decries VOA Report on Advisers' Deaths	F	2
Briefs: Workers Confederation UNOC Withdrawal	F	2

NICARAGUA

Ortega Delivers 19 Jul 8th Anniversary Speech	I	1
Finance Minister Meets Greek Foreign Minister [cross-reference]	I	9

PANAMA

Noriega Discusses U.S. Position on Canal Return	J	1
Circulation of Some U.S. Publications Banned [EXTRA 18 Jul]	J	1

SOUTH AMERICA

ARGENTINA

Presidents Alfonsin, Sarney Sign 10 Agreements	K	1
Hold News Conference	K	2
Give Balcony Speeches	K	4
Sarney Departs	K	5
Briefs: GDP Growth	K	5

BRAZIL

Sarney Outlines Domestic Political Strategy	M	1
[O GLOBO 16 Jul]		
Rejects Rumor of Alliance	M	2
[O GLOBO 17 Jul]		
Trade Prospects Discussed With PRC Official	M	2
[O GLOBO 17 Jul]		

PERU

Rebels Cause 3 Blackouts; 22 Wounded by Car Bomb	R	1
[AFP]		
Police Arrest 500 [EFE]	R	1
State of Emergency Extended [DPA]	R	2

FOREIGN MINISTRY RESPONDS TO OUSTER OF DIPLOMATS

PA191429 Havana International Service in Spanish 0000 GMT 18 Jul 87

["Commentary" read by Fernando Alcorta]

[Text] A crude reprisal is how the Cuban Foreign Ministry has described the U.S. decision to expel two Cuban diplomats from Washington, only because Cuba has proven that several employees at the U.S. Interests Section in Havana have engaged in espionage and subversive activities.

In a note to the Interests Section the Cuban Foreign Ministry stated this attitude demonstrates the U.S. State Department cannot deny the facts because a substantial part of the evidence is irrefutable. Furthermore, the note adds, it was irrefutably demonstrated that preparations to attack Cuban President Fidel Castro were part of the U.S. CIA plan.

The note strongly rejected Washington's statement that its officials in Havana are subjected to a hostile atmosphere, which includes physical and mental abuse. Evidence that this hostility has never existed in the past or present is the fact that the exposed diplomats have continued to live normal lives without any interruptions or risks whatsoever.

The note adds that all of this demonstrates that Cuba respects and fulfills the articles of the Vienna Convention. Cuba does not have the slightest intention to harm these U.S. citizens, the Cuban Foreign Ministry states. The U.S. Government holds full responsibility for their activities, and its duty is to refrain from assigning them tasks that could prove risky.

In conclusion, the official message states that the request to permanently withdraw two Cuban officials assigned to Washington is not the result of irregular activities on their part because they would not be able to carry out such activities. It is all a crude reprisal because Cuba has unmasked U.S. espionage efforts.

U.S. ECONOMIC BLOCKADE, CONSEQUENCES NOTED

FL181631 Havana Television Service in Spanish 0000 GMT 18 Jul 87

[Text] The U.S. economic blockade against Cuba has been in effect for over 25 years. This practice began after the triumph of the revolution in 1959 when the United States began limiting its trade with Cuba. In 1960, it eliminated the Cuban sugar quota from the U.S. market, the largest in the world. In that year it also banned oil supplies to Cuba, and in October, 1960, it stopped all trade with Cuba, except for medicines and foodstuffs. In 1964, the Johnson administration also eliminated that kind of trade -- that is, foodstuff and medicines -- and from that time on, no other trade took place between Cuba and the United States. From then on, the United States has not sold us even an aspirin. One can say that either partially or totally, the blockade against Cuba has been in effect for almost 30 years, over a quarter of a century, and is considered to be the longest economic blockade in modern times.

According to studies made by the National Bank -- this study was made in 1982 -- this has cost Cuba over \$9 billion. This figure surpasses by far the value of U.S. businesses nationalized in Cuba at the beginning of the revolution. The United States did not only stop trade, but it also requested and pressured numerous governments for its businesses to refrain from trading with Cuba. Not all enterprises joined the blockade but enough did to create difficulties for Cuba. Sometimes Cuban foreign trade officials have to travel around the world to find a certain good and pay three times its price because of the difficulty they had in finding it.

The United States violates with this blockade all international trade laws. It also violates rules established by the GATT -- of which Cuba and the United States are founding members -- that advocate free trade, which the United States says it defends. The United States tramples over all these rules with its blockade against Cuba.

The Reagan administration has hardened this economic blockade against Cuba. It is even pressuring many banks and countries not to give Cuba any loans and also pressures enterprises not to sell to or buy from us. The U.S. Government and the CIA are constantly applying this pressure.

The economic blockade against Cuba is the longest in recent times, violates all international laws, and is an attack against our country. This is more than enough to take into consideration what it means to establish a blockade against a small, underdeveloped country such as the one the United States has conducted against Cuba and, to repeat, is the longest one carried out in modern times. This is a shadow and a shame in the history of the United States and a shadow and a shame for the history of contemporary international relations.

U.S. POLITICAL, ECONOMIC PRESSURES AWAIT PANAMA

PA182034 Havana International Service in Spanish 2300 GMT 15 Jul 87

[Report by J. Bermudez Vales from Panama City]

[Text] U.S. political and economic pressures await Panama in the immediate future, 1 month and 9 days after the beginning of the current crisis which seeks primarily to oust President Eric Delvalle's government and which is particularly aggressive against General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP]. The activities by the rightist National Civilianization Crusade seem to point toward a game of greater proportions.

The government has pointed out to people's organizations and officials that the opposition group is part of a destabilization plan directed from the United States that seeks to influence two important issues: the Panamanian Central American peace policy and the Torrijos-Carter Panama Canal Treaties.

When the crisis began, President Eric Delvalle spoke of the danger hovering over these two issues, but the president only blamed foreign forces for the situation. It has now been learned that the forces have their origin in the United States and that they are protected by the Reagan administration.

The administration has been particularly active during the Panama events: There were four important statements; U.S. Ambassador Arthur Davis carried out hectic activities; and Senator Christopher Dodd, a member of the Senate's subcommittee on western hemispheric affairs, paid a proconsul-type visit. All of these actions support our statement.

However, in addition to the rightist political parties and the civic groups and business organizations that form the Civilianization Crusade, the U.S. documents [not further identified] emphasized the possibility of breaking up the FDP and neutralizing its influence over the government; they centered this possibility on Gen Manuel Antonio Noriega. While the Civilianization Crusade sought the support of a so-called defense of human rights and demanded the withdrawal of Noriega from his post, the U.S. notes emphasized the need for the FDP to retreat and become apolitical.

Both parties also demanded -- by coincidence -- guarantees for the May 1989 elections and insisted on the clarification of the charges raised early last month against Noriega by retired Colonel Roberto Diaz Herrera. What is very clear is that there is a very crucial demand by both the United States and the Panamanian conservative sectors that Noriega disappear from the scene. Why? Let us see.

It is no secret that the military chief is one of the decisive pillars of Panama's Central American policy -- expressed through the Contadora Group -- which is opposed to the warmongering plans prepared in Washington for the area. Within that framework, Noriega has [words indistinct] the participation of the area armies in the negotiations that Contadora is carrying out based on a logical argument that very few have been able to refute. Noriega has said it is not the diplomats who are in the direct war, but the soldiers.

The other U.S. goal seeks to prevent the enforcement of the Torrijos-Carter Panama Canal Treaties dated September 1977 that call for dismantling the powerful military organization the United States maintains on the banks of the Panama Canal. However, within that same goal there is a more immediate problem for the White House: The change of the ratio of forces within the Panama Canal Commission's board of directors that must take place in 1990. The board of directors has members from both countries; it includes five U.S. citizens and four Panamanians. In 1990, the figures change in Panama's favor, according to the Canal Treaties. The people's organizations and leaders insist that Central America and the treaties are the core of the crisis afflicting Panama.

In this regard, the National Civilianization Crusade is a Washington pawn. However, as the crisis nears an end, it has not achieved its main goal, although it could be said that the intense campaign in recent days will leave scars that the Panamanian [words indistinct] in the near future.

Still pending is the summons of the attorney general to Col Roberto Diaz Herrera, retired, and the possible economic pressures the United States will immediately apply by making use of its credit organizations, the IMF, and the World Bank.

GDR DISCUSSES ELECTRONIC EQUIPMENT TRADE

FL181320 Havana Radio Reloj Network in Spanish 1942 GMT 18 Jul 87

[Text] The seventh session of the Cuban-GDR electronic and electrotechnology subcommission began here today to analyze new possibilities of encouraging Cuban exports to the GDR of electronic components and keyboards and of conducting joint radio and television productions. Gustavo Loret de Mola, vice president of the National Automated Systems and Computer Technology Institute, said that after the Third Communist Party of Cuba Congress was held, there was an intense activity on the island in this area. Loret, who is also the head of the Cuban delegation, added this will enable the production of this equipment to turn into important export goods, thus increasing trade. The subcommission meeting will also examine the work conducted by the permanent groups on electronic components.

ANPP APPROVES NEW CIVIL CODE; SESSIONS CONTINUE

FL171925 Havana Radio Progreso Network in Spanish 1100 GMT 17 Jul 87

[Text] In its session yesterday, the National Assembly of the People's Government [ANPP] approved a new civil code that replaces the one in force since 1889. Commander in Chief Fidel Castro commented often in the document that regulates the right to personal property, inheritance, and obligations and contracts, among other subjects. The working session was dedicated to Comrade Blas Roca, who died recently. Also participating in the debates was Army General Raul Castro and the remaining members of the State Council.

The first agreement of the assembly was to back all of the proposals made by Fidel in the struggle to rectify and overcome errors and deficiencies. The new civil code consists of 567 articles, and it recognizes state, individual, and cooperative ownership and ownership of small parcels of land.

Among the new aspects it provides for is the freedom to make a will in favor of whoever the testator chooses, but it requires that half of the inheritance be ceded to specially protected heirs. It also states that those persons who have not abandoned [as heard] the country will lose their inheritance rights, and it forecloses real estate mortgages. In one of his comments, Fidel pointed out the prospects of socialism to create new riches and to solve the people's problems. To repeat, it states that those persons that have abandoned the country will lose their inheritance rights, and it forecloses real estate mortgages.

The head of the Cuban revolution also referred to situations involving some youths, such as dropping out of school, job placement, teen marriages, and early pregnancy. Among other topics left to be studied by the assembly are the approval for a highway administration and traffic code, liquidation of the 1986 state budget, and laws to guarantee the payment of support and maternity allowance so the top state government organ continues its work today.

BARBADOSMINISTER TERMS TALKS WITH VENEZUELA 'REFRESHING'

FL170232 Bridgetown CANA in English 2320 GMT 16 Jul 87

[Text] Bridgetown, Barbados, July 16, CANA -- The visit of the Venezuelan president and foreign minister to Barbados has promoted "refreshing dialogue at the political level," and will culminate in an intensification of cultural exchanges between the two countries, Barbados Foreign Minister Sir James Tudor said today.

Talks between our two governments during this meeting have gone exceedingly well," Sir James said at a luncheon he hosted for his Venezuelan counterpart, Simon Alberto Consalvi who is accompanying President Jaime Lusinchi on a visit which ends tomorrow.

"We have seen the creation of new air-links between Venezuela and Barbados, and with this, the flow of visitors eager to explore a new culture and to make new friends," he said.

Sir James also alluded to the "phenomenal increase of interest" in Venezuelan culture and in the Spanish language, due largely to the efforts of the Venezuelan Institute for Culture and Cooperation here.

The local Foreign Ministry, he said, had always sought to ensure that Venezuela occupies a central place in its foreign policy, adding that Caracas has constantly been a major ally of the Caribbean in regional and international forums, as recorded in its recent foreign policy review.

"But our friendship with Venezuela transcends mere pragmatic realities of geographical proximity, for we have many other factors in common," Sir James said.

HAITINAMPHY REAFFIRMS MILITARY COMMITMENT TO PEOPLE

FL172238 Port-au-Prince Domestic Service in French 1552 GMT 17 Jul 87

[Speech by National Government Council President Lieutenant General Henri Namphy at a ceremony at the Military Academy in Port-au-Prince to pledge allegiance to the Haitian Constitution and flag on 17 July; live -- monitored in progress]

[Text] ...which is so painfully affecting Haitian families.

Officers, noncommissioned officers, enlisted men: Whether the professional agitators like it or not, the Haitian nation does not acknowledge having any foreign enemies. On the contrary, it entertains cordial relations with all its partners in cooperation, within a framework of mutual respect for one another's values and differences.

We would do better to take a close look at the warning signs of a threat to the integrity of the Haitian nation from within, because being a nation essentially involves -- in addition to common ownership of a rich legacy of memories -- a desire to live together and the will to continue to put our common heritage to good use.

In this line of thought, the greatest enemy right now is perhaps the excesses committed along the difficult path of learning how to be a democracy, the path that is now being trod so painfully by the Haitian people, a people who, in these circumstances, deserve to be understood, supported, and sometimes protected, sometimes even against their will.

It is for me a source of pride to be able to compliment you on your sense of order and on the very masculine courage which you have demonstrated when confronted by certain manipulated groups that have shown themselves to be hostile and deliberately provocative. One cannot overpraise that self-discipline and levelheadedness instilled in you in the barracks and at the Military Academy.

Officers, noncommissioned officers, and enlisted men: In the service of the state, it falls to us to guarantee order and to maintain peace. In these troubled times, when blind and unbridled passions seem to take precedence over reason, when freedom of speech is too often confused with verbalism and with incitement to riot, it is the responsibility of the Armed Forces to enforce respect for republican discipline.

Another aspect of our mission is to participate in development tasks. We are, therefore, agents of development and progress, and here again, I am pleased to express to you my satisfaction and my admiration when seeing you cooperating with national technicians and contributing, with your know-how and your courage, to the resolution of this country's problems, and when I see you, shovel in hand, help relieve the suffering caused by the natural cataclysms that sometimes are added to the destructive actions of certain men.

Officers, noncommissioned officers, enlisted men: These, then, are some, but not all, of the aspects of our mission, which is not a new mission. We will have to arm ourselves with civic virtues to accomplish it. We will have to rise above things, to outdo ourselves, and give proof of that extra portion of soul which implies an acceptance of the supreme sacrifice.

Never forget that we will reap nothing other than the honor of having been useful to the fatherland, over and above the tumult among men and their unwillingness to understand. We will reap the greatest satisfaction there is: the feeling of having willingly made a sacrifice, the feeling of having done one's duty willingly, so that, beyond immediate, egotistical interests, the fatherland may exist and endure.

Officers, noncommissioned officers, enlisted men, agents of the rural police; We have just solemnly sworn to be faithful to the Republic of Haiti. We have sworn to serve it according to the dictates of our honor and our conscience, and to defend it against all enemies, whoever they may be. We have also sworn allegiance to and respect for the Constitution and the flag. We have, in conclusion, sworn and pledged obedience to the orders of our hierarchical superiors, in conformity with the rules and regulations of the Haitian Armed Forces. Yes, this vow that we all just made brings the people even closer to their Army. Must I say it again? We are the authentic sons of the true Haitian people, in whose service we will always remain. The people means us. We are the people, drawing our inspiration incessantly from the spring of Vertieres and from this emblem, which marked the birth of our Army, and we are driven by an unwavering passion and determination to defend the republic and the Constitution.

Armed with our sense of duty, which has been revitalized by the vow that we just made, we shall remain firmly bonded to the people and in perfect communion with them. Long live the Haitian Armed Forces! Long live the Haitian nation, united forever more! Thank you. [applause]

PDCH ISSUES NOTE ON ORGANIZATION OF ELECTIONS

FL162255 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 16 Jul 87

[Text] The Haitian Christian Democratic Party [PDCH] has issued a statement in connection with the organization of elections in Haiti in which it mainly addresses the Provisional Electoral Council [CEP] while showing how nobody -- no one at all -- should take the risk of organizing elections under the existing provisional National Government Council [CNG]. Those guys are capable of too many underhanded dealings. The most important point in PDCH's statement is that under the Constitution, in Article 31-1, it says that all candidates must come from a political party. The PDCH also gives its own scale of candidacy fees.

BISHOP OF JEREMIE CALLS ON CNG TO RESIGN

FL172255 Port-au-Prince Domestic Service in Creole 1300 GMT 17 Jul 87

[Excerpt] [passage omitted] Yesterday, over Radio Soleil, Monsignor Willy Romelus, the bishop of Jeremie, made a fourth statement on the current situation in Haiti. Mgr Romelus said he was not the only bishop in the struggle; the other bishops are in the struggle too, but each person has his own role to play. He said that he himself is clearing out underbrush and pulling out weeds while some of other bishops are planting and others are even watering. So it isn't that the bishops have turned their backs on the struggle. The bishops will never turn their backs on the struggle. They are on the side of the Haitian people and will struggle until the corn is ripe, until they get what they need.

Further on, the bishop of Jeremie said Haitians should have nothing against Americans. Not all Americans are against the Haitian people. He said there were Americans who, together with the Haitian people, would like to see a change in Haiti. So, he said, the Haitian people should not trample the American flag. If you trample the American flag, it is as if you were lumping all the American people into a single basket. It is the entire American people that you are mistreating.

Further on in his fourth message broadcast yesterday afternoon over Radio Soleil, Mgr Willy Romelus, the bishop of Jeremie, said what he wants is a change -- there must be a profound change in the country. There must also be a change in the hearts of people. Consequently, the Army should not be firing on the population. The Army must understand well that it itself comes from the people. Mgr Romelus asks for cooperation, for walking hand in hand, so the necessary change can be effected in Haiti -- a change that everyone is awaiting and everyone is hoping for. He said he hates no one and has nothing against anyone; when he takes the microphone to speak, he does so in a spirit of love for the country, and the fact that he would like to see a change in Haiti is proof that he loves Haiti. In conclusion, Mgr Willy Romelus asked the [CNG] to resign.

[Begin Romelus recording] If you take a good look, you will see that everything is paralyzed. And why? Because the people say they don't want to have anything to do with you anymore. Be big about it. [words indistinct] Are you going to make them come budge you from where you are? What would happen then? It would mean war among us Haitians.

It would be ugly. CNG, (? get out of there) to activate everything that is paralyzed -- the schools, the students in Rhetor and Philo classes [students who are candidates to the baccalaureat exams], the university, the country's economy, and [words indistinct].

Furthermore, the people have openly stated it does not want elections held with you in power. You are there for the people. If it doesn't want to continue to deal with you, don't be stubborn about it.

Five [as heard]: U.S. leaders don't seek to influence the struggles in Haiti. If you look carefully, U.S. leaders, you are the reason countries turn communist. Every time (?you stick in a dictator) you are giving the communists a chance to get a foothold in that country. It is time for you to adopt a different policy. That policy, which would be capable of blocking the road for the communists, should be to really help the little countries,, without trying to exploit them. It doesn't mean emptying your full pockets for them. You can see -- you are a people too intelligent and too advanced to continue making that kind of big mistake.

You communist sympathizers, I have something to say to you, too. I know you love Haiti. The love you have for our little country -- you must (?safeguard it) in such a way that it improves the country, truly makes the country more beautiful.

My brothers, do not [words indistinct] imported ideology that can come and crush our beloved little Haiti. Instead, let the force of love, the source of which is God, act within you. You know that Haiti is a country in which people are close to God. Don't brainwash them to detach them from God, their only hope. You well know that communism engenders dictatorships. Friends, it would be really terrible luck for this little people to have gotten out from under the preceding dictatorships only to come and fall under a communist dictatorship. Just look at Poland, Romania, CSSR, Cuba, [words indistinct]

Haitian brothers, use your heads, you hear me? So as not to fall into any traps. That is why Christian parties, Catholics and and Protestants alike, should get together and pray for God to preserve us from such a misfortune.

I don't want to talk too long, so I will conclude. But before I do, I invite all Haitians to unite in solidarity, to get together, to see how we can change Haiti, to see what we are going to do to combat extreme poverty. The people who have [words indistinct], I would like to say to you the words that Christ said to the rich man: Go and sell your possessions, [words indistinct] give to the poor. And you will attain a greater wealth. Luke...[words indistinct] [end recording]

ARMY RESTRUCTURING ANNOUNCED AMID 3-DAY STRIKE

PA181557 Buenos Aires REUTER in Spanish 0913 GMT 18 Jul 87

[By Elizabeth Abbott]

[Excerpts] Port-au-Prince, 17 Jul (REUTER) -- The provisional Haitian Government announced last night that there will be a change in the structure of the Army; however, it is not known how the measure will affect the 3-day strike that has paralyzed the country.

A source close to the government said the changes apparently seek to strengthen the position of the Army in controlling the situation affecting Haiti.

For now it is unknown how the changes could increase military control. The decree signed by the CNG refers to structural changes within the Army, including a new rank of general, but its nature or the designation of new generals are not specified. A source said that the next step might be the appointment of several new generals.

Last night's decree is the climax of a week of general speculation about the creation of new generals to strengthen the control of the Army in this strife-torn Caribbean nation.

Haiti currently has only two generals: Lieutenant General Henry Namphy, CNG president; and Brigadier General Williams Regala, CNG member.

The decree also notes that the Army will be charged with defending Haiti in the event of a war, supporting the police when assistance is required, cooperating in times of disaster, and cooperating in Haiti's development. [passage omitted]

Yves Volel, spokesman for the Coalition for the Final Struggle (CLF), said Thursday that the strike and other means of pressure will continue until the CNG steps down in favor of a 5-member council designated by opposition groups.

Public transportation is paralyzed, and most businesses, some public offices, banks, and gas stations are also closed.

There was no mention yesterday of barricades or attacks on private vehicles. On Thursday, however, witnesses claimed to have seen the strikers destroying or burning no less than 48 vehicles, including the vehicle of the FRG ambassador, which was stoned and riddled with bullets. [passage omitted]

TRINIDAD AND TOBAGO

IMPORT DUTY REMOVED FOR 8 CARICOM COUNTRIES

FL141835 Bridgetown CANA in English 1314 GMT 14 Jul 87

[Text] Port-of-Spain, Trinidad, July 13, CANA -- The government said tonight it has authorized the removal of the 12 per cent import duty for eight of the other 11 Caribbean Common Market (Caricom) Countries. A government information department statement said the decision had been taken at last Thursday's regular cabinet meeting. The countries named were Jamaica, Antigua and Barbuda, Grenada, Montserrat, St. Kitts and Nevis, St. Vincent and the Grenadines, Guyana, and Dominica. The order does not apply to Barbados, St. Lucia, and Belize.

Trinidad and Tobago had announced that month [as received] that it would remove the stamp for those countries taking reciprocal action for an initial period of 12 months in a move to stimulate intra-Caricom trade.

The government statement said that Finance Minister, A.N.R. Robinson had been authorized by cabinet to make additions and deletions to amend the stamp duty act and also extend the life of such exemptions from time to time. Government had said the removal of the barrier would cost the treasury TT15 million dollars (one TT dollar; 27.7 US cents).

LAT 20 Jul 87

CENTRAL AMERICA
EL SALVADOR

F 1

CEREZO, DUARTE AGREE ON MINISTERS' MEETING

PA200422 Hamburg DPA in Spanish 0357 GMT 20 Jul 87

[Text] San Salvador, 19 Jul (DPA) -- Salvadoran official sources reported today that Presidents Vinicio Cerezo Arevalo and Jose Napoleon Duarte agreed to hold two meetings of the Central American foreign ministers prior to the next regional summit.

Cerezo, who made a short visit to El Salvador to attend a meeting of the Christian Democratic Organization of America [ODCA], agreed with his Salvadoran counterpart that the meeting could be held at the end of the month.

The two presidents discussed the possibility of inviting the "Contadora" foreign ministers to obtain their opinions on the regional problem and express their position on the peace plan presented by Costa Rican President Oscar Arias.

According to the joint proposal, during the second meeting the Central American foreign ministers could set up the agenda for the next regional summit, scheduled for 10 August in Guatemala City.

Before his departure, the Guatemalan president noted there is the possibility one of the foreign ministers meetings could be held in Nicaragua.

COL OCHOA ON TREASON CHARGE, ARMY ACTION

PA181605 San Salvador Canal Doce Television in Spanish 0200 GMT 17 Jul 87

[Report by Marco Antonio Guevara]

[Text] Colonel Sigifredo Ochoa Perez was questioned on Thursday with regard to charges of high treason to the homeland by President Jose Napoleon Duarte. Ochoa said that treason has been committed by the ruling party.

[Begin recording] [Ochoa] I think that the charges of high treason should be made against the Christian Democratic Party, because it is prolonging the violence.

[Reporter] Do you think that those statements [words indistinct] since you withdrew from the Armed Forces?

[Ochoa] I think I have a right as a citizen. No one can deprive me of that right. I am acting as a citizen supported by the Constitution. I have withdrawn from the Armed Forces to participate in politics, and that is what I am doing. I think that even if it bothers the president 1,000 or 1,000,000 times, I am acting as a citizen, I am using a citizen's right.

[Reporter] Colonel General Vides Casanova recently said that he was waiting for you to present proof that the Army is not fighting as it should.

[Ochoa] Yes, I told him that I was personally going to present him with some evidence regarding this entire issue of the handling of the war. I think that Minister Vides Casanova has to understand that we are making a constructive criticism. He should not get angry, because we live in a, quote, democratic, unquote, country and we have to give credibility to the system.

[Reporter] Colonel, what kind of evidence were you referring to? What will that evidence be?

[Ochoa] I have to talk to the defense minister. I cannot tell you publically what the evidence is. [end recording]

Col Ochoa Perez added that the current crisis is the product of bad governments, including that of the PCN [National Conciliation Party], in which there was also corruption.

VENCEREMOS DECRIES VOA REPORT ON ADVISERS' DEATHS

PA200144 (Clandestine) Radio Venceremos in Spanish to El Salvador 1300 GMT 19 Jul 87

[Text] The VOA is the poor voice of cynicism and disinformation. In one of its latest broadcasts, the official U.S. radio station, VOA, reported the death of the deputy chief of the Yankee advisers in our country and other officers as the death of six poor U.S. soldiers on a mercy mission. The information given by the official Yankee radio station on the death of the six military advisers in our country is very interesting because, as everyone knows, the people on the supposed damaged helicopter were not poor soldiers, but the Yankee advisers' deputy chief, Lieutenant Colonel James Basilin, accompanied by another lieutenant colonel, a second lieutenant, and other U.S. Army noncommissioned officers. With this type of manipulation, the VOA attempted to minimize the importance of the advisers' deaths and, above all, to hide the obvious failure of the imperialist counterinsurgency in El Salvador.

The Yankee embassy's version is that the advisers were toward the eastern part of the country to rescue a wounded Rambo that had been accidentally wounded by a companion when he was playing with and caressing his M-16. The VOA's story that the six poor Yankee advisers died on a mercy mission comes from the embassy's version. In addition to being cynical, the VOA report is also a complete mockery of the feelings of the U.S. people, who watch how their sons are treated with neglect and are killed in a war in which they have nothing else to do but die in vain. To call a trip to pick up and give medical attention to their wounded a mercy mission is a stupid way to hide that the revolutionary, popular war will catch up with all the Yankee soldiers that are in El Salvador. To call the dead deputy chief adviser and other officials simple soldiers is a cynical and absurd way to try to hide the strategic defeat that is being inflicted by our people. There is no doubt that the Yankee official radio station has become a ridiculous voice of cynicism and disinformation by trying to hide the undeniable interventionist failure in our fatherland.

BRIEFS

WORKERS CONFEDERATION UNOC WITHDRAWAL -- Luis Grande Preza, general secretary of the General Confederation of Workers (CGT), has announced the organization's withdrawal from the progovernment National Peasant-Worker Unity (UNOC). The CGT's withdrawal is due to its members' displeasure over how UNOC operates. At a national congress on 3 August, the CGT will decide whether to join some other organization because, Grande Preza said, the CGT cannot work on its own. [Summary] [San Salvador DIARIO LATINO in Spanish 11 Jul 87 p 11 PA]

ORTEGA DELIVERS 19 JUL 8TH ANNIVERSARY SPEECH

PA191929 Managua Domestic Service in Spanish 1555 GMT 19 Jul 87

[Speech by President Daniel Ortega at the commemoration of the 8th anniversary of the Sandinist revolution at the Subcommander Hector Flores Plaza in Matagalpa -- live]

[Text] Those of us who traveled these 128 km from Managua to Matagalpa found the road full of blue and white flags and red and black flags. We are sure that the hearts of the 3.5 million Nicaraguans in the 130,000 square km of our territory are strengthened by the blue and white flag of the fatherland and the red and black flag of the revolution that defend our people's interests. [applause] We greet the people of the Sixth Region -- Matagalpa and Jinotega -- birthplace of Carlos and Zeledon [revolutionary heroes Carlos Fonseca and Benjamin Zeledon], battleground of Sandino, and a prominent region in the struggle against Somoza and in the current military and economic defense of the revolution.

We express special recognition to the thousands of reservists, Army soldiers, militiamen, and Interior Ministry soldiers who are deployed throughout our territory, guaranteeing that this event would take place. [applause]

We have arrived at this 8th anniversary while defending the self-determination of Nicaragua, Central America, Latin America, and the developing countries. We are accompanied by Oliver Tambo, leader of the struggle of the South African people. He has come because he feels that we have a common cause and struggle. From Matagalpa we greet and express solidarity with all the people of South Africa, particularly Nelson Mandela. [applause]

Yesterday President Reagan launched his message on the occasion of the 8th anniversary of the Sandinist revolution, demanding more funds for the mercenaries. We launch our message on this 8th anniversary demanding more solidarity with the South African people and sanctions against the racist South African regime. Let the Yankee policymakers decide if they are for or against racism and if they are for or against freedom. [applause]

We Nicaraguans again find ourselves facing William Walker. The only difference is that his name is now Ronald Reagan. He has been waging an interventionist war to reoccupy Nicaragua and to establish another William Walker as president, as was done during the past century.

The Pentagon strategists call it a low-intensity war so that the U.S. people will not be afraid that their youths might come to die in a new Vietnam in Central America. In fact, we all know this is not a low-intensity war. It is an interventionist war whose objective is to destroy the Sandinist people's revolution, resorting to all forms of military, economic, social, political, and ideological state terrorism and aggression.

When the revolution triumphed, we began resolving our material problems with great hopes and expectations. International cooperation -- including U.S. cooperation -- joined the Nicaraguan people's efforts and enthusiasm. Reagan was not U.S. president then; Carter was. We recall when we met in Washington, in the White House, with President Carter. He expressed his concern over the Nicaraguan revolution, over what would become of the Nicaraguan revolution.

I told him that they should worry about the damage they had done to Nicaragua and that the U.S. Government was obliged to carry out all the necessary efforts to recover the Nicaraguan people's confidence, because the Nicaraguan people had never invaded the United States, and because the Nicaraguan people had never attacked the United States; the United States had attacked and invaded Nicaragua.

Therefore, I said, the United States would have to make great efforts to recover or gain for the first time in history the Nicaraguan people's trust. At that time, President Carter made an effort, and struggling against the pro-Reagan congressmen, he managed to obtain the approval of \$75 million for Nicaragua. This must be clear, because U.S. President Ronald Reagan often refers to that aid as his initiative. However, that aid was given by President Carter, who had a different policy. That aid was approved by President Carter, and most of that aid was disbursed by him. Ultimately it was blocked. However, more than \$50 million of that aid was disbursed. At that time, the U.S. Government had a positive attitude toward Nicaragua, and Nicaragua also had a positive attitude toward that U.S. Government. However, President Carter was succeeded by President Reagan, and instead of helping Nicaragua, instead of trying to gain the Nicaraguan people's trust, President Reagan, and instead of helping Nicaragua, instead of trying to gain the Nicaraguan people's trust, President Reagan has cut off credits for food, he has frozen loans and assistance programs, and he has declared an embargo. He also has occupied some countries militarily -- for example, Honduras and has created a military structure there to attack Nicaragua: schools, [word indistinct] airstrips, and radar facilities to monitor communications.

Since then, there have been 50 military exercises and maneuvers and 25 training [word indistinct] have taken place to familiarize 150,000 U.S. soldiers. Logistical facilities have been installed there to attack Nicaragua.

Covert operations began in 1981. We protested those operations, which were denied. In a great effort, during 1984-1985, as part of its policy of terrorism against Nicaragua, the United States managed to group 16,000 mercenaries to shed blood in our homeland. Those 16,000 mercenaries are actually victims of Reagan's policy, because most of those Nicaraguans have been forced to join the mercenary ranks and are commanded by former Somozist guards.

We already know the damage and destruction resulting from that policy. However, I wanted to recall some figures, so we Nicaraguans and also the governments that are worried about the Nicaraguan situation can see and remember how this has evolved. In 1980, when Reagan was not yet President, there were four victims in Nicaragua of terrorist actions by Somozist groups, which had remained in dispersed state. The damage to the economy totaled approximately (\$1.5) million. At that time, the expenditures to strengthen the country's defense in general represented 20.4 percent of the budget. During that year -- 1980 -- we exported \$450.4 million; in other words, our exports were fairly good that year. In 1981, there were 134 victims of the aggression; the damage to the economy was (\$15.6) million. Reagan already was the U.S. President at that time. The war expenses represented 22 percent [of the budget], and exports totalled \$499 million. In 1982, there were 864 victims; damage to the economy was \$70.5 million; war expenses were 18.9 percent; and we managed to export \$406 million.

In 1983 the victims of the aggression totaled 5,053 people; the damage to the economy, \$240.5 million; the expenses of the war, 18.1 percent; and we still exported more than \$400 million. We exported \$429 million. By 1984, the victims of the war totalled 8,334 people; the damage to the economy, \$305 million; the expenses of the war, 24.1 percent; and exports -- which had been more than \$400 million from 1980 to 1983 -- went down to \$385.1 million.

Various factors were combined here: foremost, the damage to the economy caused by the war, factors of the international economic crisis, the financial crisis, the debt, commercial problems, and the entire unjust economic order that sacrifices developing countries. In 1985, the victims of the war increased to 10,192 people; the damage to the economy, \$268.6 million; the expenses of the war increased to 34.1 percent; and exports dropped to \$301.5 million. In 1986, the victims of the aggression increased to 12,194; the damage to the economy to \$265.4 million; the expenses of the war increased to 38.5 percent; and exports continued to decrease to \$229.8 million. As of July 1987, there are already more than 6,000 victims of the war; \$51.6 million in damage to the economy; 46.3 percent in expenses of the war, and the exports estimated for this year are less than \$300 million. We estimate, we estimate [repeats himself] -- and decimals can vary by the minute, generally negatively -- \$280 million this year. The total number of victims of the aggression in these years is 46,176 Nicaraguans. Damage from the direct impact of the war on the economy is \$1,228.7 billion. To this must be added other costs, which are called the [words indistinct] costs on the national production. These added up to \$1,592.3 billion. If our economy had not been affected by the war, we would have produced more amid better conditions. We would not have had to rebuild schools and health centers, which would have allowed us to advance development programs. This damage is estimated at \$1,592.3 billion. Total damage to the economy adds up to \$2,821 billion, with \$3.6 billion forecast for 1987. In 1987, the expenses of the war have increased to 46.3 percent, we said. This equals 32.1 percent of the gross national product; that is, one-third of all national production and services go to defend the interests of the Nicaraguan people against imperialist aggression. We have no choice. Not doing this would allow the counterrevolution to advance and the revolution to be defeated.

Despite all these criminal actions and these costs, the aggression is being resisted and defeated by the people. The determining factor in this had been the great spirit of combat that exists in all sectors of Nicaraguan society, represented by those who have joined the patriotic military service and the reserve battalions, such as the thousands of reservists who now surround Matagalpa in the mountainous areas. Agricultural workers, urban workers, farmers of small, medium, and large-scale farms, merchants, taxi drivers, and all social sectors are represented in those reserve battalions, armed to guarantee that this event will take place. [applause]

The intensification of agrarian reform also has been decisive. It has meant the distribution of 3.2 million manzanas of tillable land to 103,000 families. We will continue to distribute land to all those peasants who are demanding land to work. [applause]

Political, organizational, and governmental efforts in the resettlements also have contributed to the strategic defeat of the mercenary forces. Discussions of the autonomy project by the rank and file of the population in the Nicaraguan Atlantic region have also contributed to the defeat of the aggression.

The amnesty law, which continues to be in force, and the repatriation policy, which has benefited more than 9,569 Nicaraguans, also have contributed to the defeat of the aggression.

There has been a reduction in the number of mercenaries. At this time there are approximately 6,000 mercenaries. One might ask: why 6,000 if they have suffered so many casualties this year? We ended last year with a figure of approximately 6,500 mercenaries. If we have inflicted several thousands of casualties this year, why have they been able to maintain a force of 6,000 mercenaries?

The reason is that the mercenaries, directed and advised by the CIA and the Pentagon, are recruiting 12-, 13-, and 14-year-old children by force. They also are paying mercenaries of other nationalities. With these children -- in a truly brutal, criminal, and terrorist action -- and with those mercenaries they are trying to replace the casualties that the EPS inflicts on them every day. [applause]

The central focus of the mercenaries' defeat has been the Sixth Region -- birthplace of Carlos Fonseca and Benjamin Zeledon, where Sandino fought the Yankees, the peasants are again fighting the mercenaries sent by the Yankees. They are ready to fight and defeat the Yankee troops if they dare invade. [applause]

The United States has invested millions to prepare the invasion against Nicaragua, because the mercenaries are the spearhead of this military interventionist policy. Interventions are not strange to us because the Yankees have intervened in Nicaragua on other occasions. They already have invested \$9.7 billion in military installations and in a war infrastructure. They also have invested \$2.8 billion in military aid to Central American countries. The figure is somewhat higher because \$2.8 billion is in support of the warmongering military policy and \$1.2 billion is in direct military aid. The mercenary army received \$1.9 billion in logistical support, infrastructure, and training. One must bear in mind that each flight of that airplane they had passing over us at high altitudes costs thousands of dollars. When the Blackbird passed over us it cost thousands of dollars. Other spy planes fly at higher altitudes, and each of those flights costs thousands of dollars. Thousands of dollars every day add up to millions of dollars to provide the Pentagon with fresh information and to give information to the mercenary forces. The Pentagon needs to have fresh information for whenever it decides to invade us. The mercenaries need it so they can evade our troop movements and then attack civilian targets.

In total, the United States has invested \$15.6 billion to sow death and destruction in Central America while Nicaragua, in its objective of defending itself for national reconstruction, has received in the same period \$3.7 billion in foreign aid. In other words, the Americans have invested \$15.6 billion and Nicaragua has received \$3.7 billion in important foreign cooperation for national reconstruction. That is to say, for each dollar Nicaragua has received for national reconstruction, the United States has invested \$4.22 to strengthen its destructive action against Nicaragua.

Thousands of Nicaraguans have been victims of the interventionist war during these years. Dozens of international volunteers have also been victims. They are brothers who have arrived from Latin America, Europe, and the United States and who have contributed with their blood to the Nicaraguan people's struggle.

The last victims of other nationalities, who are not foreigners to us but Nicaraguans, were Benjamin Linder, an American who was killed in this Region 6, and Friar Tomas Zabaleta, a churchman who was also murdered in this region. I chatted with Father Ignacio there by his hospital bed where he lay wounded after the attack, and he had it very clear; he was not confused. He knows who placed the mine. Did the Nicaraguan people place that mine? [crowd shouts "No"] Or did Reagan place it? [crowd shouts "Yes"] Father Ignacio, the Franciscan community, the Nicaraguan people, and the entire world know that Reagan placed that mine, that Reagan sent that mine, and that, therefore, Reagan murdered the first churchman to be murdered in revolutionary Nicaragua. [applause] God knows, of course God knows that Reagan placed that mine, because God cannot be deceived. God does not make mistakes.

The mercenaries [words indistinct] attempting to sabotage this 8th anniversary. They launched [words indistinct], a call in their communique, the largest military action undertaken in Nicaragua, attacking San Jose de Bocay on Thursday before dawn. The attack was at 0430, and fighting lasted until 1030. The mercenaries had concentrated forces there. They felt they held the upper hand because we had a small military contingent; a small military contingent of Army soldiers, who did not number more than 100. Then there were peasants organized for defense. The attack was launched with hundreds of mercenaries, whose objective was to occupy that position, from which we had dislodged them 1 week ago. What happened? What was the result? The mercenaries were unable to occupy that position, because our soldiers, who were there in numbers much lower than those of the mercenaries, our militias, our peasants, who numbered less than the mercenaries, took to their trenches and fought with morale worthy of Sandino and did not let the mercenaries through. [applause] They said they occupied our positions. We wish to invite the international press to visit San Jose de Bocay and we will see who is occupying those positions, the mercenaries or our Army. They will see our Army, our people occupying those positions. [applause] [crowd shouts "They will not pass"]

However, the mercenaries murdered three children and a woman there. On Friday before dawn there was another attack against a cooperative here in Region 6. Before dawn today there was another attack against another cooperative. Who have the victims of these new attacks been? A boy and a woman, in the first cooperative. There were no casualties at the other cooperative. However, [words indistinct] the victims were a boy and a woman. President Reagan continues to murder women and children. He continues to murder Nicaraguans.

This is logical for the U.S. Government, because to the extent that the strategic defeat of the mercenary forces intensifies, the United States already has completed the military preparations, the logistics, infrastructure, the physical conditioning of troops in Central America; up to 350,000 [as heard] soldiers, we heard, already have completed everything they needed to do to be ready to invade our country. Nobody could prevent this. There have been many proposals in international forums, but the truth is that the U.S. Government, over the protests and peace efforts, has succeeded in creating an overall military and economic preparation and effort around Nicaragua, where they are only waiting for an opportune moment to launch an invasion against Nicaragua.

In the meantime, the mercenary forces must be staging that kind of terrorist activities [words indistinct] attacking a cooperative and attacking a military base to attempt to show that the mercenary forces are very active and combative and that they are causing serious damage to the EPS.

Why does President Reagan, if the mercenary forces are defeated, insist on asking for more money? Just yesterday in his speech -- discussing the 8th anniversary in Nicaragua -- he made a new call to Congress to give funds to the mercenary forces.

He wants \$300 million, \$250 million, \$105 million, or whatever amount, to do more than just improve the military development of the mercenary forces, which cannot be further developed militarily. They will have more money to steal. Unquestionably, (?they will surely steal). However, they will not be able to reach a greater military development. They are going backward like a crab, the mercenary forces. Then, why the interest? Because if the U.S. Congress approves \$350 million, \$150 million, \$105 million, \$40 million, or whatever amount in September, Congress, which, at this time, is an accomplice of Reagan's terrorist policy against Nicaragua, will use this as a pretext to attempt to legitimize an action of direct intervention against our country.

That is Reagan's objective. [applause] That is why the United States disavows the court [International Court of Justice], disavows the calls by the United Nations, the Nonaligned Movement, IPU, and other international organizations that have told it: Stop waging war and find a way to negotiate with Nicaragua. The United States does not want any negotiations, and this must be clear, foremost, to us Nicaraguans; the international community must also have this clear, because many times it gets confused; it gets confused by Congress, by the scandal about the diversion of funds to the contras. No, we cannot make mistakes. We must understand clearly that at this moment there is no outlook, no possibility for negotiations with the U.S. Government, and not because the U.S. Government does not want a peaceful solution; it does not want this revolution to survive; it wants to destroy this revolution, whatever the cost. Then what does the United States do? Sabotage all negotiation efforts; sabotage Contadora and the Support Group. It has even rejected the peace proposal of Costa Rican President Oscar Arias, which we Nicaraguans have termed a constructive proposal. However, President Reagan has rejected President Oscar Arias' proposal, and President Oscar Arias is a president whom no one can label an extremist. This shows us the fundamentalist, terrorist, obstinate position that the Reagan administration takes in an attempt to destroy Nicaragua. President Reagan does not want to leave; he does not want to leave the presidency of the United States; he does not want to leave in January 1989 and to turn over the presidency to another president leaving behind a free Nicaragua. This is why he is making all these efforts to sabotage peace in Central America.

A meeting is scheduled for 6 and 7 August in Guatemala. Nicaragua, just as it was willing to go the meeting on 25 and 26 June in Guatemala, where others did not want to go, again ratifies that we are ready to travel to Guatemala on 5 and 6 August [as heard] to meet there with the Central American presidents to take responsible steps in favor of peace, which all the Central American peoples are demanding of us.

[Certain Central American governments that yield to great U.S. pressures must realize that -- the United States is a very powerful country that exerts very great pressure, and there are Central American governments that lack the firmness to resist these pressures -- to submit to Reagan's warmongering policy, to accept his pressures, to become an instrument of someone's policy, to sabotage these talks, to be absent from these meetings, and to sabotage the dialogue and the negotiation is to become the accomplice of an interventionist policy. It is to become the accomplice of an invasion of Central America that may occur at any time, whether in Nicaragua or El Salvador. Under these conditions, the side effects of an invasion against the Nicaraguan or Salvadorean people, the shock waves of such an action would not only be felt in Central America but in Latin America, the United States itself, and the rest of the world because I am sure that the people will not stand for this. [applause] [Crowd shouts "People's power"]]

Therefore, the Central American presidents must reflect and realize that it is better to be at odds with Reagan than to run the risk of a U.S. invasion in Central America. The expense of Reagan's anger because the Central American presidents meet, talk, and reach agreements, and because Contadora must be part of that effort, because we are Latin Americans and Bolivarians and we cannot forget this Latin American reality -- is less a price to pay than an agreement to submit to Reagan's policy and permit a Yankee intervention in Central America. Therefore, a dialogue among Central American leaders is urgently needed.

A stronger action by the Contadora and Support Groups is urgently needed. A peaceful solution to the crisis affecting the sister Salvadoran people is urgently needed. The revolutionaries of the FDR and FMLN have made constructive and pragmatic proposals to reach peace through dialogue. A dialogue between the United States and Nicaragua is urgently necessary.

Firmer actions from the U.S. people are urgently necessary so that there will not be another Vietnam in Central America. An increasingly firm attitude from all the governments of the world that are truly worried about peace is urgently needed.

From Matagalpa, Nicaragua, we ask the world: Can a Third World country like Nicaragua determine its destiny and its nonalignment freely, acting in line with the diversification of economic, commercial, technological, and political relations? Does international law have any effect in the relations among states, particularly between the U.S. superpower and Nicaragua? Can international and regional organizations have the consistency needed to improve the mechanisms that will lead us to the peaceful solutions of controversies? Will armed confrontations decide the conflicts and contradictions involved in the evolution of mankind? Can the international community stop military actions universally recognized as illegal and immoral?

While you respond to these questions, the Nicaraguan people can guarantee that they will continue fighting at any expense, for sovereignty, self-determination, independence, and peace in this land that obtained freedom 8 years ago, on 19 July 1979. [applause] [crowd shouts "Here, there, the Yankee will die"]

As Latin Americans, filled with the spirit of Bolivar, as strong members of the Nonaligned Movement, which embodies the firmness and combativeness of the peoples of Africa, Asia, Latin America, and the Caribbean, from this trench, we express our solidarity with the cause of the people of Omar Torrijos who are now threatened by the Yankee empire. [applause]

From this combat trench in Matagalpa, Nicaragua, we express our solidarity with the cause and the struggle of the peoples of Haiti, Chile, and Puerto Rico, with the Palestinian people, the peoples of South Africa and Namibia, and with other peoples who currently are struggling in various regions of the world and who one day will also have their 19 July. [applause] [unidentified speaker shouts "National Directorate"] [crowd shouts "Issue the order"]

We have summarized these 8 years of struggles, hopes, and democracy. Throughout this time and throughout our territory, the rifles have been in the hands of the people, in the hands of the workers, in the hands of the peasants. No government can subjugate people who are armed. This is the greatest proof of democracy in Nicaragua. [applause] We would like to see Pinochet begin to distribute the weapons to the Chilean people or that in Haiti the weapons be distributed to the Haitian people or that in Puerto Rico the weapons be distributed to the Puerto Rican peoples. We would see what would happen there and whether the weapons would be used to defend Pinochet or to oust Pinochet. [applause] We are sure that the people would not be confused. [applause] Because Pinochet is never confused, he will never give the weapons to the people.

We have given some figures that clearly point to the causes of the critical state of our economy.

There has been much talk about the lack of efficiency, the lack of coherence, the administrative disorder, the bureaucratism, and all the defects we have and must combat; however, we must also point out that we have one of the governments, one of the cabinets whose ministers and government officials remain very close to the people in their daily work. It is true that there are problems of bureaucratism that we must fight because of the nature of the work itself. That work easily brings about bureaucratism, and we have to fight it, but we must recognize the effort of our government officials from the highest levels to the middle ranks and the various rank and file sectors that are involved in tasks alongside the people in war zones. They do not avoid the war zones.

There is much talk about the disaster of the economy. I have given the figures that clearly show how our exports have been dropping. After they grew to almost \$500 million, they have been dropping to less than \$400 million and to less than \$300 million and, at the same time, the number of victims of the war has been increasing. At the same time, there are millions of dollars in losses each year. At the same time, there is an increase in the expenses to defend the country. That is the real reason why our economy is seriously affected and why we have problems in the supply not only of food and staples for the people, but also of spare parts, machinery, and raw materials for production that are demanded by the working people in the cities and the countryside.

Already 7 months of 1987 have gone by under these conditions. Our plans, programs, and actions in the economic, political, military, and social spheres have been adjusted to guarantee the main effort, which is to concentrate, in a rational way, all the human, technical, material, political, administrative, and organizational resources to continue consolidating the defeat of the mercenary forces and be prepared to face the Yankee forces if they dare intervene in our fatherland. [applause] [crowd shouts "FSLN National Directorate, issue orders"]

Under these difficult conditions in which the United States continues to exert great pressures on governments that feel goodwill toward and wish to help Nicaragua, at this moment when there is also an economic crisis affecting developing countries, foreign cooperation, in some cases, still does not match the need experienced by our homeland besieged by Yankee imperialism.

We recognize the extraordinary efforts made by some countries that sacrifice their own people to help Nicaragua. However, we also must mention, the fact that U.S. pressures have had their effect on multilateral organizations that certain governments that have been unable to help Nicaragua. In general, this means that, as I mentioned, foreign cooperation still does not match the need experienced by our homeland. However, it is undeniable that Nicaragua has received extraordinary foreign cooperation.

However, Nicaragua's emergency situation calls for political, moral, and material emergency action from the governments and peoples of the world to put an end to the imperialist siege.

Therefore, under these difficult conditions, Nicaraguans must make maximum efforts to double our energy even if the limitations are greater.

An example of this Nicaraguan effort, willingness to work, and awareness was the recent coffee harvest. In this harvest we had a volume and quality that was better than last year's. The mercenaries tried to affect our harvest, but they could not. However, coffee prices dropped. We do not establish coffee prices; other countries do. Coffee prices dropped, exports dropped.

Then, is it the fault of the Nicaraguan people? Is it that the Nicaraguan people lack a willingness to work? Do we lack a willingness to work? Do we want to work? [crowd shouts "Yes"] Do we want to produce? [crowd shouts "Yes"] Just like we want to fight. [crowd shouts "Yes"] Therefore, it is necessary for all to understand that the main cause for our economic problems is the terrorist aggression and the interventionist war that the United States is waging against Nicaragua as well as the unjust international economic order that is affecting us as far as price policy is concerned.

However, the Nicaraguan people trust that the international community will respond positively. But -- I think that we all agree on this -- we cannot expect that the future of our revolution will be determined by the possibility of receiving greater foreign cooperation. We cannot expect that the future of our revolution will be decided at U.S. congressional sessions where the true immorality, hypocrisy, and decomposition of the so-called U.S. democracy has been uncovered with the diversion of funds to the mercenaries.

The cynical and deceitful attitude of President Reagan has been uncovered as has his ability to blame his own errors and faults on his subordinates. President Reagan and his advisers are very skillful at this. However, let us give President Reagan the benefit of the doubt. Then, if it is true that President Reagan was not aware, what has been shown is the incompetence of a president of a world power who was not aware of what was going on in the offices, basements, corridors, and in his own office in the White House. [applause]

Nicaraguan brothers, brothers of the world, we have defended the Sandinist people's revolution and we will continue to defend it with the morale, awareness, and firmness of the peasants, workers, youths, women, technicians, professionals, and producers, with the strength and the drive of all Nicaraguans.

Eight years after the victory, in the face of the interventionist war of Yankee imperialism, just like in the previous century, today, from Matagalpa, Nicaragua, we raise the rifles again, we raise our fists again, and we raise our flags again, united in this national war that is patriotic, popular, and anti-imperialist. It is a war in which the Yankee aggressor will be finally crushed and defeated.

Here, [crowd shouts "No one surrenders"] Here, [crowd shouts "No one surrenders"] Here, [crowd shouts "No one surrenders"] Long live the 8th anniversary of the Sandinist people's revolution. [crowd shouts "Long live"] Long live the Sixth Region. [crowd shouts "Long live"] Long live Matagalpa. [crowd shouts "Long live"] Long live Jinotega. [crowd shouts "Long Live"] Long live Sandino. [crowd shouts "Long live"] FSLN National Directorate, issue orders! [applause]

FINANCE MINISTER MEETS GREEK FOREIGN MINISTER

For a report on the visit to Greece by Finance Minister William Huper, including his meeting with Greek Foreign Minister Karolos Papoulias to discuss various bilateral and international issues, see the Greece section of the 16 July Western Europe DAILY REPORT.

NORIEGA DISCUSSES U.S. POSITION ON CANAL RETURN

PA181908 Panama City Circuito RPC Television in Spanish 1730 GMT 18 Jul 87

[Text] General Manuel Antonio Noriega met yesterday with agriculture sector officials in the Agriculture Ministry building in Santiago, Veraguas Province. In statements regarding the agricultural situation, he said:

[Begin Noriega recording] The social concept that says that food is peace is applicable. This is food produced by agricultural means. All of you officials have contributed to the economic development that has evolved in different ways between 1968 and 1984. In the past we had a primitive-type agriculture. It has now evolved into a new type of agriculture, to whose development you have contributed at different stages. Administrative, technical, and professional employees, as well as directors, have all contributed to this development.

These are achievements in the agricultural and production sectors and are united with a concept of nationalism and fatherland in the defense of Panama's rights. It is Panama's right to have this produce reach the Canal Zone, which today is in the hands of the United States. It is Panama's right to have this produce enter the markets, which today are in the hands of the United States, where there are 15,000 or 20,000 U.S. soldiers who do not consume Panamanian products. They want to destroy and stop this nationalist effort. They do not want to turn over the canal. There is definitely nothing else in between. They do not want to leave a territory that does not belong to them. That is why there are attacks and support for other politicians who do not want to go to the 1989 elections because they do not have the support of the people from the Agriculture Ministry. [applause]

Because they do not have the people's support, the easiest thing to do is to ask their neighbor, the foreigner, to help them get into power. This is something they cannot achieve in an election where the vote of each man and woman will decide who will be the next president that can face the challenge of 1999.

I thank you all for your presence and support for the fatherland, and for the forces that fight for our freedoms and that remain firm, just as all Veraguas residents are, in helping development and evolution. Many stayed behind, and perhaps some others will stay behind in the future, but I know that all Veraguas residents will not stay behind. [end recording]

CIRCULATION OF SOME U.S. PUBLICATIONS BANNED

PA181510 Panama City EXTRA in Spanish 18 Jul 87 p 27

[Text] The authorities have prevented the circulation of newspapers and magazines published abroad. All [as published] foreign publications have been seized and their circulation is not permitted in Panama because they contain articles against the military dictatorship. The publications not allowed in Panama are THE WASHINGTON POST, THE NEW YORK TIMES, THE MIAMI HERALD, THE INTERNATIONAL HERALD-TRIBUNE, THE WALL STREET JOURNAL, TIME, NEWSWEEK, U.S. NEWS AND WORLD REPORT, and BUSINESS WEEK.

It is not known how long this prohibition on foreign publications will last.

PRESIDENTS ALFONSON, SARNEY SIGN 10 AGREEMENTS

PY1711956 Buenos Aires TELAM in Spanish 1502 GMT 7 Jul 87

[Text] Viedma, 17 Jul (TELAM) -- Argentine President Raul Alfonsin and Brazilian President Jose Sarney have signed 10 agreements on trade, transportation, and technology. A report summarizing these agreements was issued today in Viedma, the future site of the Argentine capital, on the last day of the official visit by the Brazilian president to Argentina.

The agreements refer to tax benefits in the trading of capital goods; the expansion of the list of products purchased by Brazil and products sold by Argentina; wheat; the expansion of bilateral trade; the implementation of measures to regulate investment funds; and the extension of a single international bill of lading for overland freight. Agreements were also signed to regulate maritime transportation and cultural integration. Another pact established a common currency, which is supported by the Argentine and Brazilian central banks.

Annex III of the first agreement on capital goods includes a list of capital goods that benefit from the taxation preferences established by this agreement.

Annex IV includes under "general notes" the list of capital goods regarding central processing units and digital electronic control equipment, and the spare parts needed to renew or maintain this equipment.

Annex V establishes a permanent consultation mechanism to study proposals to decrease or lift import taxes on capital goods imported from third countries. The consultations mechanism must also establish basic guidelines for the functioning of this body.

Annex VI concerns the implementation of measures regarding purchasing, guarantees, and quality control of capital goods for use in the oil sector included on the list issued by the two countries.

The agreement on wheat extends the commitments by the Brazilian and Argentine governments to purchase and sell wheat through 1992 and 1993, instead of through 1991, as originally established.

Annex III of the agreement expanding trade extends the enforcement of partial agreement No 1 until 31 December 1999.

Annex IV includes a list of 500 new products that are included in Partial Agreement No 1 of ALADI [Latin American Integration Association] and establishes basic guidelines for its operation. The agreement on investment funds includes a clause regarding the amendment of the statute [not further explained].

Annex III establishes the statute of the investment fund which implements measures and procedures to operate the different parts of the fund, and describes its resources, operations, and headquarters.

Annex II specifies the priority areas that were established for the Argentine-Brazilian Biotechnology Center in keeping with the call that was recently issued to submit projects within the framework of these areas. It also creates and defines the structure of the Argentine-Brazilian biotechnology school.

Annex I of the agreement on land transportation establishes the use of a single international bill of lading in Brazil and Argentina.

Annex II establishes three categories of vegetable products for plant disease control. It also establishes carrying out deeper studies on the subject to unify and simplify these control procedures.

Annex III establishes the payment of fair compensation for road use by vehicles transporting goods to a third country. This fair compensation will be calculated using methods accepted by the two countries.

Annex IV establishes the application as of 1 January 1988 by Brazil of new trade procedures, which currently are restricted to an FOB-Border [FOB-Frontera] system. It also mentions an Argentine commitment to study the possibility of implementing a bonded customs warehouse system.

Annex I of the sea transportation agreement establishes mechanisms to determine the most favorable wheat transportation cost between the two countries. It also establishes mechanisms to review and correct, when necessary, any discrepancy between the most favorable cost and the actual transportation cost. The participation of Argentine ships [in wheat transportation] will be studied within the framework of the bilateral maritime agreement. Other similar areas for possible integration are also noted.

The cultural agreement establishes priority areas of cultural integration, such as coproduction and marketing of national films, and cooperation in the field of television. The cultural agreement also creates a collection of books to be called "Argentina-Brazil" and calls for studies designed to establish mechanisms aimed at ensuring the free circulation in both countries of the art works of living Argentine and Brazilian artists. The agreement also outlines actions to promote plays and musicals in both countries, as well as mutual cooperation in undertaking training programs in the various cultural sectors of the two countries.

The agreement on public administration defines priority areas and cooperation mechanisms in the area of administrative reform, training, careers, administrative organization, salary scales, the exchange of studies and laws, the decentralization of public administration, and exchanges in specific sectors.

The agreement on currency creates a joint currency ("gaucho"), which will be limited and backed by the reserve funds administered by the central banks of both countries.

Hold News Conference

PY180240 Buenos Aires TELAM in Spanish 1844 GMT 17 Jul 87

[Text] Viedma, 17 Jul (TELAM) -- Concerning the agreements signed with Brazil, President Raul Alfonsin today said that not only an economic but also a physical integration is involved. He added that the mutual confidence between the two governments and the mutual respect between the two nations are paving the road for stepping up the talks.

This comment was made by Alfonsin during a news conference that he, along with Brazilian President Jose Sarney, held at the Rio Negro government house.

For his part, asked whether the failure of the economic program in Brazil will affect the integration program, Sarney said that the latter has never been linked to the Cruzado Plan, but is rather linked to the history of the two nations. He made it clear that integration has overcome the difficulties posed by the Cruzado Plan and has become gradually more solid.

Asked whether Argentina will maintain a system of mutually exchanging information with Brazil in the nuclear field, Alfonsin said Sarney's visit to the uranium enrichment plant marks the beginning of increasingly fruitful talks, which could lead to various resolutions. In this regard, Sarney said his visit to Argentina marks the first time a head of state has invited another head of state to visit a uranium enrichment plant, which is a secret facility. Sarney made it clear that this gesture shows President Raul Alfonsin's statesmanship, vision of the present, and vision of the future. I hope that on his next visit to Brazil I will have a chance to reciprocate Alfonsin's gesture by inviting him to our [uranium enrichment] plant, Sarney added. Sarney said: Our two nations are entirely dedicated to the peaceful use of nuclear energy and to achieving access to advanced technology through our scientists and technicians.

Afterward, asked about the goals of the constitutional reform, Alfonsin said the current Constitution grants too many powers to the Argentine president. He noted that the Constitution is too rigid and does not contemplate the possibility of making important changes in the political and social fields, which call for government changes, changes that so far have been brought about only through coups d'etat.

Alfonsin said it would be advantageous to have a semipresidential system, establishing better checks by the national Congress and facilitating the approval of laws. For instance, government actions will be expedited if a given deadline is set to reject a law under certain circumstances, or if the approval can be done by congressional committees, as is done in the Italian system.

Alfonsin stated that there should be a possibility to unilaterally -- unicamerally -- approve some laws and give the Senate additional specific powers concerning checks on the federal system. He noted the need to have more ministries than the current eight, as provided for in the current Constitution. This is causing a number of serious problems that are reflected in the results achieved by the administration and that prevent administrative decentralization and rationalization.

Alfonsin said we are undergoing a foundational stage not because of the actions of a president or a ruling party, but because conditions are ripe for it. This new stage stems from the awakening of the entire Argentine people, who have decided there are things that ought to be done, such as the integration of Latin America and the transfer of the Argentine capital. Alfonsin added that the losing party in an Argentine election can no longer indulge in the longstanding political practice of smearing the ruling party to win the next election. He stated that a semiparliamentary government will be instrumental in promoting political agreements and in formulating major common guidelines.

The Argentine president said a new constitution will help preserve the institutions, including the presidential office. He made it clear that constitutional reform will be useful in consolidating our democracy, improving our economy, and integrating our country.

Alfonsin predicted that in the next generation Brazil and Argentina will be among those countries that are to be consulted on world issues. He said: Argentina and Brazil will be represented at world summit meetings because we are going to be the pioneers in the quest for peace, disarmament, a new international economic order, and universal justice.

Asked if the Argentine-Brazilian agreements envisage a joint analysis of their foreign debt, Brazilian President Jose Sarney said each country has its own specific characteristics and its own views of the debt. He noted, however, that the debt has a common political aspect.

Commenting on the same subject, Alfonsin said that both countries follow a similar strategy, but because they are facing different situations, their tactics are not the same. In this respect, it is logical for each country to follow its own tactics, even though they have a common strategy.

Regarding the creation of an Argentine-Brazilian currency, Alfonsin said this currency will be instrumental in improving the sale of Argentine items in Brazil.

Asked if the joint negotiation of the debt could be possible, Alfonsin said: We have formulated basic common strategies in Cartagena to demand that the debt be considered a political issue. This has been a common complaint.

In reply to a question, Sarney said that his impression of Argentina as a foreign citizen, not as a foreign president, is that there is now a renewed confidence, which had been undermined by hardships and division.

Commenting on the transfer of the Argentine capital to Viedma-Carmen de Patagones, Sarney said the transfer has a symbolic meaning because it renews the Argentine people's hope and confidence. This will be the capital of courage, the capital of the future, the capital of the new Argentina that is now being built in such an extraordinary way, with such sacrifice. The Argentine rebirth is being followed with great interest not only by Latin America but by the entire world.

Give Balcony Speeches

PY180405 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1815 GMT 17 Jul 87

[Excerpts] Viedma, 17 Jul (NA) -- President Raul Alfonsin today emphasized here that liberty "has been our greatest achievement" over the past few years. He asked his audience to protect liberty "by coexisting and respecting other ideas" and "to punish sectarianism" in the upcoming elections. [passage omitted]

The Argentine head of state made these comments from the balcony of the Rio Negro government house to an enthusiastic crowd. Alfonsin was accompanied by Brazilian President Jose Sarney, who also spoke. Sarney expressed his "admiration for Raul Alfonsin, a great Argentine president."

Sarney said he came to Argentina to convey his "admiration for the Argentine people, to express the Brazilian people's friendship, and to express my admiration for Raul Alfonsin, a great Argentine president." Sarney said he also came to Argentina "to state with great emotion that I am the first president, the first head of state, that has been invited to visit the new Argentine capital." Sarney stated that "the new capital here will be the capital of the future of the new Argentina."

For his part, Alfonsin stated that with the visit of Sarney, whom he called a "great Brazilian patriot and a great friend of Argentina, we are building the future, and we have accomplished very important things. It would have been unfair for the people not to support us." The Argentine head of state said: "All that he (Sarney) and I do is represent the people, realizing in documents the aspirations of our nations." [passage omitted]

Then Alfonsin said: "We are moving toward the integration of Latin America, and with Brazil we are seeking the common goal of achieving growth, overcoming stagnation, and responding correctly to the basic demands for social justice. We are doing this with the backing of the people and because the people want us to do it." [passage omitted]

Alfonsin then stated: "All that we have gone through -- stagnation, deprivation of freedom, distortions, attacks on human dignity, foreign debt, economic disaster -- has happened because we did not participate. Instead of making our own decisions according to our own ideas we let ourselves be imposed on and told to do this or that, without being allowed to exercise our freedom." He went on to say that "we must therefore protect our freedom. We must do so by protecting coexistence and respect for the ideas of others, for the ideas of everyone."

Alfonsin affirmed: "This is in my view the greatest achievement of the Argentines." He added: "Friends of Videma and Carmen de Patagones, you must cultivate this coexistence so that when the nation's government is transferred to this city it will find the people united, convinced of the need to work together for the great enterprise of the nation's future."

Sarney Departs

PY171927 Buenos Aires TELAM in Spanish 1920 GMT 17 Jul 87

[Text] Viedma, 17 Jul (TELAM) -- The airplane that will take Brazilian President Jose Sarney back to Brasilia after his 72-hour visit to Argentina took off at 1547 from the Gobernador Castello Airport in this city.

At the airport, the visiting head of state was seen off with the appropriate honors by President Raul Alfonsin.

BRIEFS

GDP GROWTH -- Buenos Aires, 16 Jul (EFE) -- The GDP increased by 2.7 percent during this year's 1st quarter as compared to the 1st quarter of last year. During the same comparison period, imports increased by 14.9 percent and exports by 6.5 percent. [Excerpt] [Madrid EFE in Spanish 1250 GMT 16 Jul 87 PY]

SARNEY OUTLINES DOMESTIC POLITICAL STRATEGY

PY170231 Rio de Janeiro O GLOBO in Portuguese 16 Jul 87 p 6

[Text] Buenos Aires -- President Jose Sarney has already decided what to do upon returning to Brazil on 17 July after his 3-day working visit to Argentina. If the PMDB [Brazilian Democratic Mobilization Party] decides to shorten his 5-year term, he will stay in power and seek political alliances with other parties.

"I believe the PMDB decision to call a convention to decide on the length of my term and on the system of government was a mistake," Sarney said during a short interview yesterday afternoon, a few hours after his arrival in Buenos Aires.

Before getting on the plane at the Brasilia Air Force base, Sarney said he expected "political reciprocity" from the PMDB convention. Sarney does not believe the PMDB will shorten his term, which he has already reduced from 6 to 5 years. "But if that happens, it will be the end of the Democratic Alliance," the president said.

I have conducted the transition following the Democratic Alliance program. If the PMDB decides to go against me, it will be going against the transition, and I will have to seek new political alliances to guarantee the transition.

The president believes the transition will be over only when the Constituent Assembly presents the new constitution. Following this, the supplementary laws will have to be drawn up and adapted to each state, and municipal elections will have to be held. Sarney added that the campaigns that some politicians have launched demanding immediate direct presidential elections are meaningless.

"We already have direct elections. The slogan should be elections now. The Constituent Assembly, however, has not yet even described the major principles of the new constitution," the president said. It will be to no one's advantage if we now interrupt the transition. Everyone stands to lose, especially Brazil, Sarney added, after recalling that on several occasions he unsuccessfully tried to get PMDB President Deputy Ulysses Guimaraes to consult with the party to decide on the length of the presidential term before the installation of the Constituent Assembly.

Visibly tired (he decided to visit three Argentine cities a day ahead of schedule to return to Brazil before the PMDB convention, which is due to take place over the weekend), Sarney referred to the Brazilian economic situation.

"We managed to get control of the economy," he said.

The president dismissed as groundless Brazilian consumer complaints that the price freeze, which is not being enforced as it was during the first stage of the Cruzado plan, is not being complied with.

"The figures do not reflect that. The inflation rate during the first month of the price freeze was 3 percent (while the inflation rate on the previous month was nearly 27 percent). Sales have grown by 23 percent, showing that salaries have recovered their purchasing power," he added.

"I do not want, however, to issue any overoptimistic forecast," he said. Our experience (the failure of the Cruzado plan) has taught us to be prudent, he concluded.

Rejects Rumor of Alliance

PY180346 Rio de Janeiro O GLOBO in Portuguese 17 Jul 87 p 5

[Excerpt] Brasilia -- Speaking on the telephone with acting President Ulysses Guimaraes, President Jose Sarney yesterday denied statements that he would reshuffle the cabinet or seek different support if the PMDB national convention decides his presidential term should be 4 years.

According to Guimaraes, Sarney asked him to issue the clarification in Sarney's name. The acting president and PMDB leader said it was the president's idea to address this issue during a telephone call Guimaraes made to report to Sarney on administrative matters during the president's absence.

Guimaraes said; "President Sarney has confidence in the outcome of the convention and in the democratic transition. He asked me to deny those statements, and that is exactly what I am telling you journalists." [passage omitted]

TRADE PROSPECTS DISCUSSED WITH PRC OFFICIAL

PY190223 Rio de Janeiro O GLOBO in Portuguese 17 Jul 87 p 23

[Text] The PRC would like to increase its oil exports to Brazil by 3.5 million barrels per year. Currently, Petrobras buys 20 million barrels per year of Chinese oil for \$450 million (19.8 billion cruzados). This information was made public yesterday by Petrobras President Oziros Silva, who attended a meeting sponsored by the Foreign Trade Chambers Federation at the Commercial Association. The meeting was held in honor of Zhu Youlan, PRC assistant minister of foreign economic relations and trade.

Oziros Silva explained that Petrobras is willing to make an extra effort to increase the import of PRC oil, provided that, in turn, the export of more Brazilian goods to the PRC is increased. A big problem is the fact that the heavy density of Chinese oil is not appropriate for the production of light byproducts such as diesel oil and gasoline that are widely used in Brazil. The Petrobras president, however, noted that the PRC has other products in which Brazil might be interested, but the problem in expanding trade lies in the fact that PRC product standards do not conform to Brazilian standards.

Minister Zhu Youlan explained that the PRC is in a position to supply goods and spare parts to meet the importer's specifications. In her opinion, the main problem in expanding trade between the two countries is raised by Brazilian import restrictions. She specifically mentioned the withholding of import bills at the Bank of Brazil Foreign Trade Department (CACEX).

Despite all that, Zhu Youlan asserted that the PRC has great interest in expanding its trade with Brazil. As proof of this, she announced the creation of the Sinolatino-Americana Inc., a PRC firm in Sao Paulo. The other PRC company in Brazil is the Sinochen company headquartered in Rio de Janeiro. The minister said these two enterprises will channel trade between the two countries.

LAT 20 Jul 87

S O U T H A M E R I C A
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REBELS CAUSE 3 BLACKOUTS; 22 WOUNDED BY CAR BOMB

PA180414 Paris AFP in Spanish 0349 GMT 18 Jul 87

[Excerpt] Lima, 17 Jul (AFP) -- Lima was affected by its third blackout in 24 hours tonight after electric towers were downed yesterday by Shining Path guerrillas, while approximately 30 people were wounded in the past 24 hours during 11 rebel clashes, the police report.

The latest blackout began at 1753 local time (2350 GMT) today and lasted almost 2 hours in areas of the capital where electric services had been restored after the previous attacks. In other sectors that include more than half the capital city, electricity has been uninterrupted since last night.

Approximately 22 people were wounded, 10 of them seriously, when a car bomb exploded near the Acho bullring in Rimac district this morning, just as a bus full of passengers was passing beside it.

The car bomb contained 10 kg of dynamite and was being towed through the streets of Lima by a police tow truck after it was found parked in a restricted area in front of the Sheraton Hotel in the city's downtown sector.

Most of the injured have been hospitalized, and most of those were inside the bus. Two pedestrians, three peddlers, and the driver of the tow truck were also wounded.
[passage omitted]

Police Arrest 500

PA181346 Madrid EFE in Spanish 0608 GMT 18 Jul 87

[Text] Lima, 17 Jul (EFE) -- Police sources have reported here that 500 people have been arrested by the Peruvian police on suspicion of having participated in the attacks carried out in Lima on Thursday and Friday.

The detentions resulted from police raids carried out by members of the antiterrorist units of the Peruvian Investigation Police (PIP) in several areas of Lima following last night's attacks. There was a general power outage last night after the attacks.

The outage was caused by alleged members of the "Shining Path" Maoist group, who blew up four high tension towers of the interconnected system of the Rio Mantanaro Hydroelectric Station.

The attacks continued today in Lima: Near the Acho bullring in Rimac district, an illegally parked car that was being taken by a police tow truck to a holding area exploded. According to an official Interior Ministry communique, the explosion injured 23 people, including a boy who was seriously injured and 2 members of the civil guard who were in the police tow truck.

It was first reported that only 12 people who were in a bus next to the car had been injured. However, later it was learned that others were also injured. Many people were cut by flying glass following the explosion.

In addition, four alleged members of the Shining Path today shot a civil guard sergeant to death and injured another guard in the Lima district of San Juan de Lurigancho. In addition, police reported six people were injured in an explosion that took place in a brewery located on the Central Highway. This attack is 1 of the 10 carried out on Thursday.

Meanwhile in Lima, "Electro Peru," the state power company, reported that efforts are being made to restore electricity to sectors of Lima still without power. The attacks that took place yesterday and today in Lima comprise a new terrorist offensive in Lima after 2 months of relative calm.

State of Emergency Extended

PA190356 Hamburg DPA in Spanish 1700 GMT 16 Jul 87

[Text] Lima, 16 Jul (DPA) -- Troops dropped by parachute have stormed several cities in the northwestern jungles of Peru, where a state of emergency had been declared yesterday in response to Shining Path guerrilla activities.

Interior Minister Jose Barsallo Burga has confirmed that armed clashes were reported during the storming of Tocache, but he did not provide further details. Barsallo added that in due time public opinion will be informed about the incursion by the troops against the drug-trafficking terrorists, who in the past few weeks have murdered several policemen and civilians and have carried out attacks against public and private property in that region. The interior minister said that approximately 1,200 troops, mostly policemen, have been sent to the Peruvian jungle zone.

President Alan Garcia decreed the state of emergency in that part of the Peruvian jungle, thus increasing the number of provinces under the state of emergency and under military political control, to counter the subversive activities of the Shining Path. On Tuesday and Wednesday Garcia visited Ayacucho, where the Shining Path guerrilla group was established in 1980. The Peruvian president justified the presence of the Armed Forces in that southeastern region of the country as a means of establishing peace in the area. Meanwhile, War Minister General Jorge Torres Florez said "peace has been restored in 85 percent of Ayacucho."

A delegation of parliamentarians from the opposition United Left (socialists and communists), which also visited Ayacucho recently, reported that 800 people are missing in that area, and there are indications that many of them are still alive and in the custody of the military. Deputy Manuel Danmmert, coordinator of the United Left, said the commission that visited Ayacucho proved "the strategy of a dirty war is still in effect" and must come to an end. He also said the political-military command should be subordinate to civilian power.

According to unofficial statistics, violence in Peru has resulted in approximately 10,000 deaths, mostly in Ayacucho. Most of the dead are civilians murdered by the guerrillas and extremists killed by the Armed Forces. Soldiers and policemen comprise a small number of the victims. Victims have also been reported in other parts of the country such as Lima, the Peruvian capital, and neighboring Callao port, which are under a state of emergency and a night curfew to avoid terrorist activities.

The state of emergency basically suspends the individual guarantees contained in the Peruvian Constitution.